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municipalities, or any non-profit organization, may apply for a free use permit to extract and use mineral materials.

- (a) BLM may issue free use permits to a government entity without limitation as to the number of permits or as to the value of the mineral materials to be extracted or removed, provided that the government entity shows that it will not use these materials for commercial or industrial purposes.
- (b) BLM may issue free use permits to a non-profit organization for not more than 5,000 cubic yards (or weight equivalent) in any period of 12 consecutive months, provided that the organization shows that it will not use these materials for commercial or industrial purposes.

§ 3604.13 When will BLM decline to issue a free use permit to a qualified applicant?

BLM will not issue a free use permit if we determine that you own or control an adequate supply of suitable mineral materials that:

- (a) Are readily available, and
- (b) You can mine in a manner that is economically and environmentally acceptable.

ADMINISTRATION OF FREE USE

$\S 3604.20$ Administration of free use permits.

§ 3604.21 What is the term of a free use permit?

- (a) BLM will determine the appropriate length of your free use permit term.
- (1) BLM will not grant free use permits to government entities for terms exceeding 10 years.
- (2) BLM will not grant free use permits to non-profit organizations for terms exceeding one year.
- (b) BLM may extend any free use permit term for a single additional period not to exceed one year.

§ 3604.22 What conditions and restrictions pertain to my free use permit?

(a) You must not barter or sell mineral materials that you obtain under a free use permit.

- (b) You must not remove mineral materials before BLM issues you a permit or after your permit expires.
- (c) BLM may incorporate other conditions and restrictions into your free use permit.

§ 3604.23 When and how may I assign my free use permit?

You may assign or transfer your free use permit to entities qualified under §3604.12. You must first obtain BLM's written approval.

§ 3604.24 Who may remove materials on my behalf?

- (a) You may allow your agent to extract mineral materials under your free use permit.
- (b) Your agent may charge you only for extraction services and must not—
- (1) Charge you for the materials extracted, processed, or removed; or
- (2) Take mineral materials from the permit area as payment for services rendered to you, or as a donation or gift.

§ 3604.25 What bond requirements pertain to free use permits?

BLM may require a bond or other security as a guarantee of your faithful compliance with the provisions of your permit and applicable regulations, including reclamation. The type of security must be one of those provided for in §3602.14(c) of this part.

§ 3604.26 When will BLM cancel my permit?

BLM may cancel your permit if you fail, after adequate notice, to follow its terms and conditions.

§ 3604.27 What rights does a free use permit give me against other users of the land?

Permits that BLM issues under this subpart constitute a superior right to remove the materials in accordance with the permit terms and provisions, as against any claim to or entry of the lands made after the date BLM designated the tract for mineral materials disposal. See § 3602.12.